

CIA Chief Wants to Retire Spies as Too Old--They're Over 50

BY RUDY ABRAMSON
Times Staff Writer

WASHINGTON — The Central Intelligence Agency, which attracted outstanding Ivy League graduates to its ranks in its early years, has become an aging bureaucracy and wants to accelerate retirement of veteran agents who have served overseas.

The problem of advancing age in the ranks was spelled out in a closed session of the Senate Armed Services Committee last month by James R. Schlesinger, the CIA's new director.

In asking Congress to ease limits on the number of CIA personnel who can retire as young as 50, Schlesinger told the committee: "The intelligence community of the United States is not designed to provide cushy positions for time-servers."

"As compared to the rest of the government, for the executive class population," he said, "we have in CIA . . . a disproportionately large number of people over 45. Something on the order of 70% of our people are over 45, as opposed to about 50% for other agencies. I think that probably runs in the wrong direction." Schlesinger is 41.

Since Schlesinger took over the CIA from Richard Helms, now U.S. ambassador to Iran, the agency has let go hundreds of employees, and the cutback is continuing.

His moves to streamline the CIA have prompted concern that the military intelligence establishment will gain influence as the CIA is cut back.

Schlesinger told the committee in censored testimony released Tuesday that he would use his authority as the nation's top intelligence official — one who oversees military in-

telligence as well as the CIA—to maintain intellectual integrity in intelligence operations.

"Intelligence has got to be absolutely first class," he said. "It has got to be based on complete intellectual integrity. It is very important that we call them as we see them . . . And that is my intention. And it shall remain my intention."

Over the years, the CIA has frequently differed with the Pentagon's Defense Intelligence Agency on the threat posed by new Soviet weapons developments and on the military strength of the North Vietnamese and Viet Cong.

Authority to increase CIA retirements is necessary, Schlesinger said, even in view of his personnel cutbacks.

The present law allows 800 persons who have served in hazardous overseas assignments to be retired between 1969 and 1974—at age 50 if they have 20 years' service.

The Congress has now approved Schlesinger's request to increase the ceiling to 2,100 and the bill is awaiting President Nixon's signature.

Schlesinger said the increased retirements were a result of CIA cutbacks in overseas operations and the use of technological equipment to gather intelligence information. Besides that, he said, more

CIA employees are opting to retire because of increased retirement benefits.

The number of CIA employees overseas has been reduced 35% since 1959, he said.

But, he said, "the problem that we face is that . . . the staff of the Central Intelligence Agency has aged—and it has aged disproportionately in the operational areas, because relatively few people have entered into and exited from the agency in these areas."

The increasing use of modern technology—presumably satellites—to gather intelligence information, Schlesinger said, has produced changes in the type of persons the CIA needs.

In short, it needs still fewer undercover operatives abroad.

003A

CIA 5-2

WASHINGTON (UPI) -- THE CIA HAS TOO MANY OLD MEN, ACCORDING TO DIRECTOR JAMES SCHLESINGER.

AN ESTIMATED 70 PER CENT OF THE AGENCY'S EXECUTIVES ARE OVER 40 YEARS OLD AND 85 PER CENT OF THEM HAVE BEEN IN THE GOVERNMENT MORE THAN 20 YEARS.

SCHLESINGER COMPLAINED ABOUT THIS SITUATION IN CLOSED TESTIMONY TO THE SENATE ARMED SERVICES COMMITTEE LAST APRIL 5. THE TEXT WAS RELEASED TUESDAY.

HE SAID THAT A "DISPROPORTIONATELY HIGH" PERCENTAGE OF THE MEN WHO JOINED THE CIA WHEN IT WAS FORMED AFTER WORLD WAR II HAVE STAYED. THUS, HE SAID, THE YOUNGER MEN ARE QUITTING BECAUSE OF A LACK OF ADVANCEMENT OPPORTUNITY.

"IT HAS BEEN ASSUMED THAT PEOPLE HAVE COME IN AND DE FACTO THEY HAVE STAYED AROUND AS LONG AS THEY HAVE WANTED," SCHLESINGER SAID. "AS A RESULT, WE HAVE AN AGING STAFF."

HE SAID THE CHIEF PROBLEM IS THAT THE CIA HAS NO "SELECTION OUT SYSTEM"--A GOVERNMENT EMPHEMISM FOR FIRING UNWANTED PERSONNEL.

THE APRIL 5 HEARING CENTERED ON A BILL, SINCE PASSED BY BOTH HOUSES AND NOW ON PRESIDENT NIXON'S DESK, WHICH WOULD INCREASE THE CEILING ON ANNUAL CIA REQUIREMENTS FROM 300 TO 2,100.

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(CIA)

ADV FOR 630 PM EDT

WASHINGTON (UPI) -- OLD AGE HAS HIT THE SPY BUSINESS.

THE BRIGHT YOUNG MEN FROM HARVARD AND YALE WHO ENTERED THE NEWLY FORMED CENTRAL INTELLIGENCE AGENCY AFTER WORLD WAR II HAVE BECOME BRIGHT OLD MEN, AND CIA DIRECTOR JAMES SCHLESINGER SAYS THEY MUST GIVE WAY TO ANOTHER GENERATION.

IN CLOSED TESTIMONY RELEASED TUESDAY BY THE SENATE ARMED SERVICES COMMITTEE, SCHLESINGER ESTIMATED THAT 70 PER CENT OF THE AGENCY'S EXECUTIVES ARE NOW OVER 45, AND 85 PER CENT OF THEM HAVE BEEN IN THE GOVERNMENT MORE THAN 20 YEARS.

AS A RESULT OF THIS "DISPROPORTIONATELY HIGH" PERCENTAGE, TOP POSITIONS IN THE CIA ARE CLOGGED UP AND YOUNG, PROMISING PERSONNEL HAVE BEEN QUITTING BECAUSE OF THE LACK OF ADVANCEMENT OPPORTUNITY.

"OUR PROBLEM IS THAT UNLIKE THE STATE DEPARTMENT, UNLIKE THE DEPARTMENT OF DEFENSE, THERE HAS BEEN NO SELECTION OUT SYSTEM (A GOVERNMENT EUPHEMISM FOR FIRING UNWANTED PERSONNEL)," SCHLESINGER SAID. "IT HAS BEEN ASSUMED THAT PEOPLE HAVE COME IN AND DE FACTO THEY HAVE STAYED AROUND AS LONG AS THEY HAVE WANTED. AS A RESULT, WE HAVE AN AGING STAFF."

SCHLESINGER, WHO TOOK OVER THE TOP CIA JOB THIS YEAR, HAS BEEN ENGAGED IN AN EXTENSIVE OVERHAULING OF THE AGENCY AND HUNDREDS OF CIA OFFICIALS HAVE LOST THEIR JOBS. MANY HAVE COME FLOCKING TO CAPITOL HILL AND THE GOVERNMENT BUREAUCRACY LOOKING FOR WORK.

SCHLESINGER DENIED THAT THE SHAKEUP WOULD DIMINISH THE CIA'S ROLE AND LEAD TO DOMINATION BY THE DEFENSE INTELLIGENCE-GATHERING AGENCIES.

THE APRIL 5 HEARING WAS ON A BILL, THAT HAS SINCE PASSED BOTH HOUSES AND IS BEFORE PRESIDENT NIXON, TO INCREASE THE CEILING ON ANNUAL CIA RETIREMENTS FROM 800 TO 2,100. SCHLESINGER SAID THE INTELLIGENCE COMMUNITY WAS NOT "DESIGNED TO PROVIDE CUSHY POSITIONS FOR TIME SERVERS."

UPI 05-01 04:53 PED

Comment:

These comments represent the initial and tentative reaction of the Office of Current Intelligence to the attached item from the news services.

THE CIA

The Big Shake-Up in a Gentleman's Club

In Hong Kong, an agent of the U.S. Central Intelligence Agency slips into a railroad yard and checks the wear on ball bearings of freight cars coming in from China to try to spot unusual troop movements. Meanwhile, another agent goes to the Hong Kong central market and buys a large order of calf's liver from animals raised in China to run a lab test for radioactive fallout.

In Eastern Europe, a CIA team tries to obtain a sample of a Communist party chief's urine. Purpose: to determine his state of health. The CIA did this successfully with Egypt's late King Farouk but failed recently with Yugoslavia's President Tito.

THESE are only a few of myriad missions that the CIA has performed around the world. The agency is also constantly accused of fantastic James Bondian exploits that more often than not it has nothing to do with. The fact is that no nation can any longer accept Secretary of State Henry Stimson's bland dictum of 1929 that "gentlemen do not read other people's mail." In a nuclear-ringed globe, intelligence is more vital than ever. Nor can a world power automatically limit itself to such a passive role as mere information gathering; trying to influence events may at times be necessary. But it can no longer be done with the crudity and arrogance displayed in the Bay of Pigs invasion of 1961, or the attempt with the International Telephone and Telegraph Corp. to sow economic chaos in Chile in 1970. To harness the CIA's excesses and yet utilize its immense capabilities for keeping the U.S. abreast of world developments, the Nixon Administration has ordered the greatest reorganization in the agency's 25-year history.

Cooperate. Reports TIME's Diplomatic Editor Jerrold Schechter, who has been keeping a watch on the CIA: "For the first time since its founding the CIA is undergoing a thorough shakeup of personnel and redirection of mission. The two main targets of U.S. intelligence activities continue to be the Soviet Union and China. But a rapidly developing détente with those countries has created different demands on the intelligence establishment. Along with traditional estimates of the missile and military capabilities of Communist countries, the White House is insisting on a new emphasis on assessments of their political and strategic intentions. The entire intelligence estimating process is being refined to include more stress on such developments as Soviet and Chinese grain outputs and computer advances."

To chart this new direction, President Nixon has

in February took over as director of the CIA. Aides quote Schlesinger as saying that "the entire intelligence community can produce a better product with a lower level of resources." In short, the nation's spy network should generate better intelligence for less money.

Schlesinger has ordered the firing or forced retirement of 600 of the CIA's 18,000 worldwide employees; 400 more are expected to go by year's end. His aim is to cut costs, eliminate marginal performers, and change the leadership of the agency. Among those who have gone are several of the long-entrenched top deputies of former CIA Director Richard Helms, who tended to favor the "operational men," or spies in the field, over the cerebral analysts, who ponder the intelligence and make policy recommendations. These two sides of the agency, traditionally separated, have orders to cooperate more.

Paramilitary operations are being scaled down. In South Viet Nam, the CIA's role in the "Phoenix"—or counterterror—program has already been phased out. The program used CIA agents to advise the South Vietnamese in the "neutralization," or killing, of Viet Cong officials. Such covert activities are under the CIA's deputy director of operations, currently William Colby, 53, a former ambassador who was in charge of pacification in Viet Nam from 1969 to mid-1971.

Often called the agency's "dirty tricks department," Colby's section controls field agents who are involved in clandestine activities, including keeping a watch on the KGB (Soviet intelligence) and working with intelligence organizations in Western countries. But Colby's group is now placing new emphasis on such activities as getting early

warnings of—and curbing—international terrorist operations and narcotics traffic. Through intercepts of communications, the CIA has discovered who ordered the killing of the U.S. and Belgian diplomats in Khartoum two months ago. It also knows the financial sources of the Black Septemberists, who carried out those assassinations, as well as the murders of Israeli athletes at the Munich Olympics.

Rivalry. With the downgrading of cloak-and-dagger operations, one of Schlesinger's tasks will be the strengthening of the "leadership for the [intelligence] community as a whole," a recommendation that he himself urged on the President in 1971, when he was an assistant director of the Office of Management and Budget. Now, Schlesinger not only heads the CIA but also has ultimate responsibility for the Pentagon's Defense Intelligence Agency, which provides intelligence for the armed forces, and the National Security Agency, which directs spy planes, satellites and a vast communications-monitoring apparatus that cracks codes and gathers data from other countries.

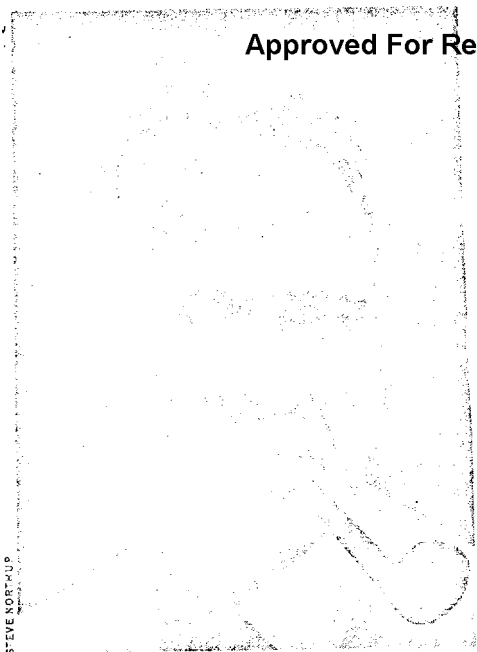
Schlesinger, as chairman of the Intelligence Resources Advisory Committee, will be taking a hard look at the combined \$6.2 billion (some estimates put it as high as \$8 billion) spent by the three agencies. Nearly half of the money goes for satellite reconnaissance and spy planes; about \$750 million is budgeted to the CIA.

Schlesinger also must watch out for a smoldering rivalry between the CIA and the DIA. The rivalry broke out in the open recently in the form of an article in the small (circ. 75,000) monthly magazine *Army*, written by Major General Daniel O. Graham last December—before he was picked by Schlesinger to be a member of his five-man Intelligence Resources Advisory Committee. Graham's article contended that the Pentagon should win back from the

CIA primary responsibility for analyzing strategic military intelligence. To the embarrassment of military leaders, he conceded that in the past the Pentagon's estimates of Communist military potential were vastly overstated, and that the nation's decision makers rightly regarded those estimates as "self-serving, budget-oriented and generally inflated." But, he wrote, the Pentagon has so greatly reformed and improved its analysis in recent years that there will be no more "bad overestimates" like "bomber gaps," "missile gaps," and "megaton gaps."

Aided by Graham, who will be the primary link between the CIA and the DIA, Schlesinger hopes to improve relations with the Pentagon. Under the able Richard





CIA DIRECTOR JAMES R. SCHLESINGER
Inducing constructive tensions.

Helms, CIA analysts had remained aloof from the military, and there were bitter battles between the CIA and DIA during the Viet Nam War over estimates of enemy infiltration and intentions. To increase accountability within the agency, Schlesinger has told CIA's analysts to sign all their intelligence reports. He hopes that bylines on the blue and white-covered CIA assessments will sharpen analyses and make the authors feel personally responsible for their assessments.

Schlesinger seems just the man to shake up the CIA. A seasoned scholar, bureaucrat and Republican, he enjoys the confidence of President Nixon. He was graduated *summa cum laude* from Harvard ('50), later got his Ph.D. in economics there, taught at the University of Virginia, and was director of strategic studies at the Rand Corp. He joined the old Bureau of the Budget in 1969, and two years later was named chairman of the Atomic Energy Commission. His prodding of utility executives to pay more attention to environmental safeguards impressed the President. When industry leaders complained, Schlesinger told them: "Gentlemen, I'm not here to protect your triple-A bond ratings."

While maintaining traditional secrecy about clandestine operations, Schlesinger is moving fast to lift the veil of conspiracy that has shrouded the agency. In an unprecedented move last month, he allowed a CIA agent, William Broe, the former chief of clandestine operations for the Western Hemisphere, to testify before a Senate subcommittee investigating the involvement of the CIA and the International Telephone and Telegraph Corp. in Chilean political affairs.

As tough-minded as he is candid, Schlesinger leaves little doubt that he is determined to reform and redefine the CIA's role. Said he recently to an old CIA hand: "The trouble with this place is that it has been run like a gentleman's

Inter 186
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New broom at CIA

By Benjamin Welles

In his first two months as head of the CIA, James R. Schlesinger has fired 1,000 employees — thereby creating gloom and apprehension in a federal fief long sheltered by secrecy, by "old school tie" friendships and by the benign neglect of elderly congressional leaders.

Mr. Schlesinger, one of President Nixon's favorite "managers," has summarily — even ruthlessly — dropped several ranking officials and has shipped others overseas. He has begun reshuffling his organizational furniture, and, taking a cue from his predecessor, Richard M. Helms, he has begun divulging his plans in background chats with key newsmen.

The question arises: how much is real — how much cosmetics? Is the dust being swept out from under — or merely under — the rugs? Some close observers suspect Mr. Schlesinger of shaking his broom publicly to create a favorable image of the "President's man," brushing away the cobwebs, making the sluggish CIA "responsive" to the White House.

Some of Mr. Schlesinger's changes to date have had their lighter aspects. CIA secretaries no longer mysteriously answer incoming calls with "76-76" or some other anonymous extension; they now proudly proclaim "Mr. Jones's office" or "Soviet economic affairs" etc.

In a bid to end the aura of "clandestinity" that often irked the press, public and Congress, Mr. Schlesinger has suggested opening CIA dining rooms to wives — only to be warned that an Arab terrorist might sneak in disguised as a suburban housewife. CIA officers, who have long used state department "cover," now must forgo the dining rooms or don visitor's identity badges so as not to "blow" their cover.

In his first talks with newsmen Mr. Schlesinger has promised to cut back on such costly — and dismally ineffective — CIA pseudo-secret activities as running 50,000 anti-Communist guerrillas in Laos.

He forecasts a greater technological capability for CIA — presumably through new "real time" spy satellites being developed that will transmit copious photographic and electronic data collected over the Soviet Union, China or other "targets" instantaneously to U.S. earth stations for fast analysis. Currently most U.S. satellites spew forth their data in packets which specially trained air crews recover in mid-air over the Pacific, then fly to Rochester for processing and Washington for analysis — a time-consuming procedure.

He is said to discount the importance of espionage, although there is no known electronic pipeline into the Kremlin's thinking that compares — poor as it is — with the indiscretions of some West European Communist boss confiding, wittingly or unwittingly, to a third party in Western pay.

Mr. Schlesinger has promised visitors to step up CIA activities against narcotics traffickers and political terrorists. But Helms set up a narcotics division in CIA three years ago; that is hardly new, and CIA counterespionage experts have long been tracking political terrorism — especially in the Middle East.

As part of the new "face-lift" Mr. Schlesinger has scrapped the deliberately misleading name "director of plans" for the CIA's clandestine services: espionage, counter-espionage, covert political action around the world. Together with the former administrative "support" directorate, it is now all lumped together as "operations," and he will run it very much from his own office through his deputy, William Colby, an ex-CIA "pacification" chief in Vietnam.

The most controversial of Mr. Schlesinger's moves — one widely misinterpreted in the press — has been the creation of an "intelligence community staff." It is headed by Lt. Gen. Lewis Allen, U.S.A.F., a veteran missile-cum-spy-satellite expert, with Maj. Gen. Daniel Graham, U.S.A.F., a bright young analyst from the Defense Intelligence Agency as his deputy. The ICS is modeled on the NIPE (National Intelligence Program Evaluation) staff created by director McCone in 1962.

On Schlesinger's order the ICS will comprise about 60: half CIA and the rest representing agencies involved in military intelligence — DIA, the code-cracking National Security Agency, the National Reconnaissance Office, the State Department intelligence arm. It is authorized to criticize evaluation methods used by CIA, DIA or any other agency, but its main role will be ensuring that there are no "gaps" in collecting intelligence around the world, whether by satellites, spies or eavesdropping.

A recent article by Graham in the current Army magazine has raised the specter of a "military" takeover of "civilian" intelligence evaluation. Allegedly this would permit the Pentagon to "tailor" the U.S.S.R. or Chinese threat to its ever growing budget.

"Danny's suddenly a controversial figure — but they're reading him wrong," said a long-time analyst. "He's not plotting to wrench military estimates from the CIA. Quite the contrary; he wants the military to be as professional as the CIA. In other words, his target is the poor grade of military analysis done separately in the Army, Navy, and Air Force. That's what he wants to eliminate."

It is early, still, to say whether the Schlesinger reforms will significantly improve the national intelligence "product," for which the taxpayers hire 125,000 employees and pay \$5 billion yearly. Some key analysts so far doubt it.

"There's a mood of being dissatisfied with previous work which comes, I guess, from the White House," said one source. "It's not very well-informed opinion, but it's certainly pervasive. We're getting motion, if not necessarily progress."

Mr. Welles, for many years on the staff of the New York Times, is now an independent commentator on what goes on in Washington.

LIGHT

APR 15 1973

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Security Affairs

New Boss Raises Talk

By LT. GEN.
IRA C. EAKER
U.S. Air Force Retired

There was considerable comment and speculation in the press and among bureaucrats when Richard M. Helms was replaced by James R. Schlesinger as director of the Central Intelligence Agency.

Helms was well known and highly regarded in Washington, and deservedly so. He had been with the CIA since its creation and before that with its predecessor wartime organization, the OSS, always in positions of responsibility and influence. He was an able professional in the intelligence field; astute, industrious and discreet. Although relieved of his intelligence leadership, he was not demoted or disgraced. Now is a good time to have one with his talents and experiences as ambassador to Iran. The Arab pot continues to boil and Middle East oil becomes an increasingly vital issue between East and West.

RESHUFFLE NEEDED

The fact is, according to old hands in the intelligence field, the CIA has not been doing a very good job of late in one of its vital functions--giving the President the facts needed for tough decisions involving our national interests. Helms was warned and given full authority to shuffle the intelligence deck. When this did not result in a winning hand, the White House found a man considered to be equal to the task.



Eaker

Vietnam proved the undoing of the CIA. It did not agree with the thrusts into Laos and Cambodia to destroy the Red sanctuaries there; it was horrified at the thought of mining Haiphong Harbor; it failed to see the significance of the vast supply effort made jointly by Russia and Red China to resupply the North Vietnamese last fall, and opposed the December bombing of North Vietnam.

In each of these cases, the estimates of the Pentagon's Defense Intelligence Agency proved much more accurate and formed the basis for presidential decisions which saved the day and brought about the cease-fire agreements.

CIA's TROUBLE

The CIA's trouble flows from faulty evaluation and assessment of intelligence data. Its field forces have furnished ample and accurate raw data, but it has been evaluated by a small group of old-school-tie, self-styled intellectuals recruited from Ivy League colleges who have allowed their ideological bias to influence their evaluation.

These evaluators belong to the peaceful coexistence, U.S. unilateral disarmament school, which has always been lukewarm on the Vietnamese war.

The CIA failures in Vietnam revealed the reason for similar shortcomings in other international intelligence crises. These same evaluators have been charged with defective assessments of the situations in Chile, in the Indian-Pakistani war and, more recently, in the Panama Canal controversy.

SUCCESSFUL WORK

The new director, Schlesinger, comes from two previous successful assignments in OMB (Office of Management and Budget) and as chairman of the Atomic Energy Commission. Already there are signs that he understands the problems at CIA. He may have the clout to sack the defective evaluators, something Helms could not bring himself to do. His decisive leadership to date has been reassuring.

Only one portion--evaluation--of CIA's total effort has been defective. Its counterintelligence function has been operated efficiently. Its field operations in Vietnam and particularly in Laos and Cambodia were handled with skill.

Our total intelligence effort involving nearly 100,000 people with a budget of about \$6 billion can probably now be safely reduced considerably as satellites and other technology replace people and as international tensions ease in this postwar period.

The most important lesson from the recent CIA shake-up is that the United States must never rely solely upon one intelligence source or authority. It is vital for both DIA and CIA to continue their intelligence evaluations and for the estimates of each to reach the Commander in Chief.

2 APR 1973

PEOPLE OF THE WEEK®

SHAKING UP THE CIA — “NIXON’S BUREAUCRACY TAMER”

LATEST GOVERNMENT operation to feel the effects of a shake-up in its established bureaucracy is the supersecret Central Intelligence Agency.

The man behind what promises to be a sweeping reorganization is the CIA’s new Director, James R. Schlesinger, who has had this tag pinned on him inside Government circles: “President Nixon’s bureaucracy tamer.”

“Tough guy.” Mr. Schlesinger came to the CIA post from the Chairmanship of the Atomic Energy Commission, where he was also looked on as a “tough guy.” Says one Government source:

“At the AEC he turned things upside down at first. Everyone there was up tight. But, in the end, his overhaul improved morale at AEC tremendously.

“Now he has started out the same way at CIA—and it looks as if he will get the same results.”

As with most activities of the CIA, the Schlesinger-ordered shake-up of personnel is being conducted pretty much under wraps.

No one in authority is saying—if anyone really knows—how many of the estimated 15,000 on the payroll will be squeezed out before it is all over.

Estimates of a 10 per cent cut have been reported. Knowledgeable sources say that is too high—but it is acknowledged that the reduction now under way is the biggest ever at the CIA, which has had others in the past.

Improvements ahead. The overhaul is across the board—young and old, people from all areas of the agency.

Every personnel folder is being read. The four main directorates in the agency—administration, plans, science and intelligence—are each handling the mechanics of review in their divisions.

Some tasks are being eliminated as outmoded, no longer needed in the changing intelligence world of today.

But, at the same time, the word is out at CIA that the shake-up is designed to improve American intelligence gathering—not scuttle it. A slogan that began to be heard with Mr. Schlesinger’s take-over was: “Intelligence is our first line of defense.”

After the initial shock of the reductions, some CIA officials began to take second looks—and decided that what they saw was not all bad. Said one “Who-

ever said the agency would be strengthened by getting rid of fat and deadwood—and didn’t mind as long as it didn’t include him—was right.”

The critics’ view. Not everyone, of course, felt that way. Fears were expressed that the cuts will result in reducing the effectiveness of the CIA, and that intelligence work as a career will be less of an attraction.

Said one such critic:

“Whoever succeeds Schlesinger will have the job of building the organization back up to be able to do its job.”

While some outsiders have been named to high posts—notably Generals Daniel Graham of the Army and Lew Allen of the Air Force—high-ranking intelligence professionals are still in top spots, and a number are being promoted.

For example, the veteran William E. Colby, who had been high in the hierarchy as executive director, has been moved up to deputy director for plans.

A hard worker. Mr. Schlesinger, 44, was named to the CIA post by Mr. Nixon in December, replacing Richard Helms, who was appointed Ambassador to Iran.

The new Director is described as a hard worker, usually on the job from 7 a.m. to 7 p.m. But, an official says, he does not demand that kind of day from those who work for him. Instead, this source explains:

“He makes it clear that what he wants is results, not time-clock punchers. As long as the work is done in time, he doesn’t bother too much about the hours spent on it.”

Mr. Schlesinger was a *summa cum laude* graduate of Harvard, and got his Ph.D. degree there in 1956.

After a year of travel in Europe and parts of Africa and Asia, he went to the University of Virginia to teach economics for eight years.

Publication of a book, “The Political Economy of National Security” brought

him an offer of a job from the Rand Corporation, where he eventually became director of strategic studies.

Mr. Schlesinger’s first post in the Nixon Administration, beginning in 1969, was assistant director of the Office of Management and Budget. In 1971 he rose to the Chairmanship of the AEC.

Changing atomic policy. Mr. Schlesinger ordered a drastic reorganization of the AEC, resulting in a cutback of its high-level staff. But that wasn’t his only impact on the agency.

One new job he created was that of



—USN&WR Photo

Mr. Schlesinger, as new chief, is presiding over CIA reorganization and biggest-ever cuts in its payroll.

assistant general manager for environmental and safety affairs. And he is credited with making the AEC more conscious of the interests of conservationists in its planning for new uses of atomic energy.

“Very fast study.” Mr. Schlesinger came to the CIA without background in pure intelligence work, although he has had much experience in the wide field of world strategy.

One official describes him this way: “He is a very fast study who does his homework.”

One bit of homework many associates believe he learned long ago: How to transform a bureaucracy into a well-tuned machine. That apparently was the job President Nixon felt was needed at the

CIA

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THE EVENING STAR

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Panel May Quiz Schlesinger on Controversial CIA Shakeup

By OSWALD JOHNSTON
Star News Staff Writer

James R. Schlesinger, the new director of Central Intelligence, goes before a Congressional committee today in his first formal legislative appearance since reports began to circulate of a major shakeup at the CIA.

Schlesinger's testimony before the House Armed Services watchdog subcommittee on the Central Intelligence Agency will, as usual, be secret. But congressional sources are not hiding their expectations that questioning will focus on two reported aspects of an ongoing purge of CIA ranks:

- That the White House has ordered a concerted ideological attack on the supposedly liberal bias of the CIA's small but elite Office of National Estimates, which is nominally responsible for producing the worldwide intelligence assessments upon which President Nixon, Henry A. Kissinger and the National Security Council base policy decisions.
- That Schlesinger is simulta-

neously implementing a White House directive first handed down 16 months ago to streamline both budget and manpower resources in the nation's unwieldy \$8 billion-a-year intelligence operation.

Ostensibly, the question before the subcommittee chairman, Lucien N. Nedzi, D-Mich., is whether Congress should raise from 800 to 2,100 the legal ceiling on the number of CIA employees who may claim retirement benefits and leave office after 20 years service.

But Nedzi left no doubt that Schlesinger will also be quizzed on the scope and motive of the intelligence agency purge. "Undoubtedly, questions will be asked about how many men are leaving — and why," Nedzi said in an interview yesterday.

Speculations aside, it is still not clear how far Schlesinger's new broom will sweep, and to what end.

Varying reports have the 15,000-man agency facing a cutback of from 1,500 to 1,800 employees. One report, which

CIA officials sought to minimize, said the agency eventually would be cleared of as many as 3,000 underachievers in annual installments of 1,000.

At the same time, some agency veterans close to outgoing Director Richard M. Helms, whose own departure a few months short of retirement age gave rise to speculation the White House was disenchanted with his performance, were reportedly asked to leave on only a few hours notice.

Sources close to the intelligence community are appalled by what one former CIA official termed the "peculiar brutality" of Schlesinger's house-cleaning, and apprehensive over what it may mean. But they are far from certain.

One view, expressed by a source of long experience in the intelligence community, sees a conscious effort to punish the CIA's intelligence assessors by cutting back their influence and enhancing that of the Pentagon's rival Defense Intelligence Agency.

In this view, the CIA purge



JAMES R. SCHLESINGER

now in progress was foreshadowed by the administration's bureaucratic assault earlier this year on the Arms Control and Disarmament Agency, which in quick succession lost one-third of its budget, 12 staff positions, most of its frontline veteran officials and much of its influence in the new rounds

of strategic arms limitation talks with the Russians.

It is pointed out that the CIA estimators for years now have backed the longstanding disarmament argument that on-site inspection of Soviet missile facilities is not necessary to ensure that the Russians are living up to a disarmament agreement.

At the other extreme, one former CIA official dismissed the whole Schlesinger exercise as "a phony operation." So far, this source argued, there is no evidence that any really important changes are being made.

One indication this may be so is the fact that the newly appointed deputy director of plans—the man in charge of the CIA's worldwide clandestine "department of dirty tricks" operations—is William E. Colby, the former head of the American Pacific Program in South Vietnam.

Despite the CIA's good reputation from the Pentagon Papers as a gloomy but accurate forecaster of events in Indochina, it was Colby's side of

the agency's operations that in large part engineered the original U.S. involvement in Laos and South Vietnam during the early 1960's.

More generally, however, speculation is focused on the CIA's intelligence evaluation function, rather than on the operations side.

In the main, informed sources are resisting the suggestion that the White House would deliberately attack the agency's intelligence estimators simply because the reports they have produced were unwelcome.

"This is our last hope," one source said. "A body independent enough to say a policy is no good if that is what it believes."

At the same time, many intelligence experts concede that the Office of National Estimates is "old and tired," and out of touch with the needs of Kissinger and his National Security Council specialists.

These close observers of the intelligence scene note that the Office of National Estimates

consists of at most 30 senior officials in the agency. It remains an elite corps, so far untouched by the purge, and there are no immediate signs that its chairman, John H. Buzza, is being asked to retire prematurely.

In the main, they see the shakeup as motivated more by efficiency than by ideology.

Helms, the former CIA director, received a mandate to streamline the intelligence community in November 1971, when Nixon announced a reorganization plan of which Schlesinger, then in the Budget Bureau, was the main author.

On the surface, the plan gave Helms sweeping authority over the whole intelligence community. But during his remaining year as director, Helms did virtually nothing on this mission and his inaction is viewed as a key reason for his premature departure.

There are some signs Helms quietly resented this turn of events and felt he was never given the White House back-

ing he believed would be necessary to carry out the responsibility he was given.

It is an open secret that some 85 percent of the estimated \$4.5 billion to \$5 billion intelligence budget each year is under the direct control of the Pentagon. But Helms, it is pointed out by former intimates, was never given authority to go up against the Defense secretary.

Nevertheless, these sources scoff at speculation that the recent CIA recruitment of two highly regarded Pentagon intelligence analysts — Maj. Gen. Daniel O. Graham of the Army and Maj. Gen. Lew Allen of the Air Force — is a means of putting ideological pressure on the Office of National Estimates.

Graham and Allen, it is pointed out, have been named to purely managerial positions on an inter-agency Intelligence Resource Advisory Committee, a board set up in the Schlesinger-Nixon intelligence reorganization of 1971, but which rarely functioned.

CIA Chief Launches Big Cutback in Force

By SEYMOUR M. HERSH

New York Times News Service

James R. Schlesinger, the new director of the Central Intelligence Agency, has begun the largest personnel cutback in the history of the agency.

Unofficial CIA sources estimated that at least 1,000—and possibly as many as 1,800—of the agency's approximately 18,000 jobs will be abolished by June 30.

In addition, the CIA director is expected to continue cutbacks in other intelligence agencies, too, such as the huge National Security Agency, staffed by 100,000 people, and the Defense Intelligence Agency, which employs about 3,000.

An official agency source acknowledged that what he termed a "reduction in force"—known in the government as a RIF—is under way "on a very selective basis" to eliminate

"marginal performers." But he would give no figures.

No official announcement of the cutbacks has been made to employees at CIA headquarters in Langley, Va.

"This is the first place I've ever been in where all the rumors come true, one agency employee said. "You get a call and get an interview and that's it," he said, describing the job-elimination process.

In addition to the layoffs, Schlesinger has initiated a high-level shake-up of key management positions inside the agency.

He reportedly has been told by President Nixon to improve the efficiency of the nation's over-all intelligence operations, which costs more than \$6 billion a year.

The CIA's Office of Research and Development in Rosslyn is said to be particularly affected. The office is responsible for the agency's basic research projects. The official CIA

source, however, described the cuts as being "across the board" and not limited to any specific office.

The Associated Press quoted sources as saying that reports of a 10 percent reduction at CIA are high. In some cases, sources told AP, some employees have been transferred to other jobs, and some administrative personnel have been reshuffled.

A former high-level official expressed surprise when told of the large-scale personnel cutbacks. "The CIA doesn't have RIFs," he said. "That's always been considered a security risk."

The only significant cutback in the agency's history took place shortly after John J. McCone was named director in 1961 by President Kennedy, a few months after the aborted Bay of Pigs invasion of Cuba. About 260 agents employed by the agency's clandestine service were eliminated then, the former official said, "and that was very carefully handled."